

CRS Report for Congress

U.S. Arms Sales: Agreements with and Deliveries to Major Clients, 1999-2006

December 20, 2007

Richard F. Grimmett
Specialist in National Defense
Foreign Affairs, Defense, and Trade Division



Prepared for Members and
Committees of Congress

Report Documentation Page			<i>Form Approved OMB No. 0704-0188</i>	
<p>Public reporting burden for the collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to a penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number.</p>				
1. REPORT DATE 20 DEC 2007	2. REPORT TYPE	3. DATES COVERED 00-00-2007 to 00-00-2007		
4. TITLE AND SUBTITLE U.S. Arms Sales: Agreements with and Deliveries to Major Clients, 1999-2006			5a. CONTRACT NUMBER	
			5b. GRANT NUMBER	
			5c. PROGRAM ELEMENT NUMBER	
6. AUTHOR(S)			5d. PROJECT NUMBER	
			5e. TASK NUMBER	
			5f. WORK UNIT NUMBER	
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) Congressional Research Service, The Library of Congress, 101 Independence Ave SE, Washington, DC, 20540-7500			8. PERFORMING ORGANIZATION REPORT NUMBER	
9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES)			10. SPONSOR/MONITOR'S ACRONYM(S)	
			11. SPONSOR/MONITOR'S REPORT NUMBER(S)	
12. DISTRIBUTION/AVAILABILITY STATEMENT Approved for public release; distribution unlimited				
13. SUPPLEMENTARY NOTES				
14. ABSTRACT				
15. SUBJECT TERMS				
16. SECURITY CLASSIFICATION OF:			17. LIMITATION OF ABSTRACT Same as Report (SAR)	18. NUMBER OF PAGES 10
a. REPORT unclassified	b. ABSTRACT unclassified	c. THIS PAGE unclassified	19a. NAME OF RESPONSIBLE PERSON	

U.S. Arms Sales: Agreements with and Deliveries to Major Clients, 1999-2006

Summary

This report provides background data on United States arms sales agreements with and deliveries to its major purchasers during *calendar years* 1999-2006. In a series of data tables, it lists the total dollar values of U.S. government-to-government arms sales *agreements* with its top five purchasers in five specific regions of the world for three specific periods: 1999-2002, 2003-2006, and 2006 alone, and the total dollar values of U.S. arms *deliveries* to its top five purchasers in those same regions for the periods 1999-2002, 2003-2006, and for 2006 alone. In addition, the report provides data tables listing the total dollar values of U.S. government-to-government arms *agreements* with and *deliveries* to its top 10 purchasers *worldwide* for the periods 1999-2002, 2003-2006, and for 2006 alone.

This report is prepared in conjunction with the annual CRS report for Congress entitled *Conventional Arms Transfers to Developing Nations, 1999-2006* (CRS Report RL34187), by Richard F. Grimmett. That report details both U.S. and foreign arms transfer activities globally and provides analysis of arms trade trends. The intent here is to complement that elaborate *worldwide* treatment of the international arms trade by providing only the dollar values of U.S. arms sales agreements with and delivery values to its leading customers, by geographic region, for the calendar years 1999-2002, 2003-2006, and 2006. Unlike CRS Report RL34187, this annual report focuses exclusively on U.S. arms sales and provides the specific names of the major U.S. arms customers, by region, together with the total dollar values of their arms purchases or deliveries. This report will not be updated.

Contents

U.S. Agreements with Leading Purchasers, 1999-2006	1
U.S. Deliveries to Leading Purchasers, 1999-2006	4
Table 1. Leading Purchasers of U.S. Defense Articles and Services, Total Values of Africa Agreements Concluded	2
Table 2. Leading Purchasers of U.S. Defense Articles and Services, Total Values of American Republics Agreements Concluded	2
Table 3. Leading Purchasers of U.S. Defense Articles and Services, Total Values of Asia Agreements Concluded	2
Table 4. Leading Purchasers of U.S. Defense Articles and Services, Total Values of Near East Agreements Concluded	3
Table 5. Leading Purchasers of U.S. Defense Articles and Services, Total Values of Europe Agreements Concluded	3
Table 6. Leading Purchasers of U.S. Defense Articles and Services, Total Values of Worldwide Agreements Concluded	4
Table 7. Leading Purchasers of U.S. Defense Articles and Services, Total Values of Africa Deliveries Concluded	5
Table 8. Leading Purchasers of U.S. Defense Articles and Services, Total Values of American Republics Deliveries Concluded	5
Table 9. Leading Purchasers of U.S. Defense Articles and Services, Total Values of Asia Deliveries Concluded	6
Table 10. Leading Purchasers of U.S. Defense Articles and Services, Total Values of Near East Deliveries Concluded	6
Table 11. Leading Purchasers of U.S. Defense Articles and Services, Total Values of Europe Deliveries Concluded	6
Table 12. Leading Purchasers of U.S. Defense Articles and Services, Total Values of Worldwide Deliveries Concluded	7

U.S. Arms Sales: Agreements with and Deliveries to Major Clients, 1999-2006

This report provides background data on U.S. arms sales agreements with and deliveries to its major purchasers during calendar years 1999-2006. It provides the total dollar values of U.S. arms *agreements* with its top five purchasers in five specific regions of the world for the periods 1999-2002, 2003-2006, and for 2006, and the total dollar values of U.S. arms *deliveries* to its top five purchasers in five specific regions for those same years. In addition, the report provides a listing of the total dollar values of U.S. arms agreements with and deliveries to its top 10 purchasers for the periods 1999-2002, 2003-2006, and for 2006. The data are official, unclassified, United States Defense Department figures compiled by the Defense Security Cooperation Agency (DSCA), unless otherwise indicated. The data have been restructured for this report by DSCA from a *fiscal year* format to a *calendar year* format. Thus a year in this report covers the period from January 1-December 31, and *not* the fiscal year period from October 1-September 30.¹

U.S. Agreements with Leading Purchasers, 1999-2006

The following regional tables (**Tables 1-5**) provide the total dollar values of all U.S. defense articles and defense services *sold* to the top five purchasers in each region indicated for the *calendar year(s)* noted. These values represent the total value of all government-to-government *agreements actually concluded* between the United States and the foreign purchaser under the Foreign Military Sales (FMS) program during the calendar year(s) indicated.² In **Table 6**, the total dollar values of all U.S. defense articles and defense services *sold* to the top 10 purchasers *worldwide* is provided for *calendar year* period noted. All totals are expressed as *current* U.S. dollars.

¹ The Defense Security Cooperation Agency (DSCA) publishes an annual volume providing these data in a *fiscal year* format. This publication is titled *Foreign Military Sales, Foreign Military Construction Sales, and Military Assistance Facts*. It provides detailed U.S. annual transactions with countries and international organizations for the most recent ten *fiscal* years, as of the date of publication, as well as aggregate data for these transactions since FY1950. See DSCA website for this data under DSCA Facts Book at [<http://www.dsca.osd.mil/>]. For detailed *worldwide* arms transfer data for U.S. and foreign suppliers and recipients, see CRS Report RL34187, *Conventional Arms Transfers to Developing Nations, 1999-2006*, by Richard F. Grimmett.

² Current U.S. law and regulations do not require U.S. companies to provide, routinely and systematically, data on arms sales *agreements actually concluded* with foreign purchasers resulting from *commercial licenses authorized* by the U.S. State Department. Thus, with one very notable exception relating to the United Arab Emirates (U.A.E.) in 2000, the *agreement* data in the following tables *do not* include the values of U.S. licensed commercial sales.

Table 1. Leading Purchasers of U.S. Defense Articles and Services, Total Values of Africa Agreements Concluded
(in current U.S. dollars, rounded to nearest million)

Africa Agreements 1999-2002	Africa Agreements 2003-2006	Africa Agreements 2006
1 Nigeria \$21 million	1 Djibouti \$28 million	1 Ethiopia \$9 million
2 Kenya \$7 million	2 Kenya \$26 million	2 Uganda \$3 million
3 Guinea \$3 million	3 Ethiopia \$14 million	3 Chad \$2 million
4 Botswana \$3 million	4 South Africa \$13 million	4 Kenya \$1 million
5 South Africa \$3 million	5 Nigeria \$12 million	5 Liberia \$1 million

Table 2. Leading Purchasers of U.S. Defense Articles and Services, Total Values of American Republics Agreements Concluded

(in current U.S. dollars, rounded to nearest million)

American Republics Agreements 1999-2002	American Republics Agreements 2003-2006	American Republics Agreements 2006
1 Chile \$555 million	1 Canada \$1.23 billion	1 Canada \$480 million
2 Canada \$447 million	2 Colombia \$541 million ^a	2 Colombia \$179 million
3 Colombia \$289 million ^a	3 Brazil \$162 million	3 Chile \$40 million
4 Brazil \$106 million	4 Chile \$59 million	4 Argentina \$10 million
5 Venezuela \$55 million	5 Argentina \$32 million	5 Mexico \$10 million

a. Includes FMS sales related to international narcotics interdiction programs.

Table 3. Leading Purchasers of U.S. Defense Articles and Services, Total Values of Asia Agreements Concluded
(in current U.S. dollars, rounded to nearest 10 million or 10th of a billion)

Asia Agreements 1999-2002	Asia Agreements 2003-2006	Asia Agreements 2006
1 South Korea \$3.5 billion	1 Australia \$3.9 billion	1 Australia \$2.6 billion
2 Japan \$2.0 billion	2 Japan \$3.4 billion	2 Japan \$890 million
3 Singapore \$1.6 billion	3 South Korea \$1.7 billion	3 South Korea \$540 million
4 Taiwan \$1.1 billion	4 Taiwan \$1.1 billion	4 Singapore \$370 million
5 Australia \$1.0 billion	5 Singapore \$710 million	5 Thailand \$60 million

Table 4. Leading Purchasers of U.S. Defense Articles and Services, Total Values of Near East Agreements Concluded
 (in current U.S. dollars, rounded to nearest 10 million or 10th of a billion)

Near East Agreements 1999-2002	Near East Agreements 2003-2006	Near East Agreements 2006
1 U.A.E. \$7.3 billion ^a	1 Saudi Arabia \$4.5 billion	1 Israel 1.2 billion
2 Israel \$6.7 billion	2 Egypt \$4.3 billion	2 Saudi Arabia \$1.1 billion
3 Egypt \$6.5 billion	3 Israel \$3.0 billion	3 Iraq \$920 million
4 Saudi Arabia \$2.7 billion	4 Kuwait \$1.3 billion	4 Kuwait \$390 million
5 Kuwait \$1.6 billion	5 U.A.E. \$1.2 billion	5 Egypt \$280 million

a. Includes a \$6.432 billion licensed commercial agreement concluded in 2000 for 80 F-16 fighter aircraft.

Table 5. Leading Purchasers of U.S. Defense Articles and Services, Total Values of Europe Agreements Concluded
 (in current U.S. dollars, rounded to nearest 10 million or 10th of a billion)

Europe Agreements 1999-2002	Europe Agreements 2003-2006	Europe Agreements 2006
1 Greece \$3.5 billion	1 Poland \$3.9 billion	1 Turkey \$850 million
2 U. K. \$1.5 billion	2 Turkey \$2.9 billion	2 Spain \$660 million
3 Italy \$1.2 billion	3 Greece \$2.6 billion	3 Netherlands \$270 million
4 Turkey \$1.0 billion	4 U.K. \$1.5 billion	4 Germany \$190 million
5 Netherlands \$910 million	5 Netherlands \$1.1 billion	5 U.K. \$150 million

Table 6. Leading Purchasers of U.S. Defense Articles and Services, Total Values of Worldwide Agreements Concluded
 (in current U.S. dollars, rounded to nearest 10 million or 10th of a billion)

Worldwide Agreements 1999-2002	Worldwide Agreements 2003-2006	Worldwide Agreements 2006
1 U.A.E. \$7.3 billion ^a	1 Saudi Arabia \$4.5 billion	1 Australia \$2.6 billion
2 Israel \$6.7 billion	2 Egypt \$4.3 billion	2 Israel \$1.2 billion
3 Egypt \$6.5 billion	3 Poland \$3.9 billion	3 Saudi Arabia \$1.1 billion
4 South Korea \$3.5 billion	4 Australia \$3.9 billion	4 Iraq \$920 million
5 Greece \$3.5 billion	5 Japan \$3.4 billion.	5 Japan \$890 million
6 Saudi Arabia \$3.5 billion	6 Israel \$3.0 billion	6 Turkey \$850 million
7 Japan \$2.0 billion	7 Turkey \$2.9 billion	7 Spain \$660 million
8 Kuwait \$1.6 billion	8 Greece \$2.6 billion	8 South Korea \$540 million
9 Singapore \$1.6 billion	9 South Korea \$1.7 billion	9 Canada \$480 million
10 U.K. \$1.5 billion	10 U.K. \$1.5 billion	10 Kuwait \$390 million

a. Includes a \$6.432 billion licensed commercial agreement in 2000 for 80 F-16 fighter aircraft.

U.S. Deliveries to Leading Purchasers, 1999-2006

The following regional tables (**Tables 7-11**) provide the total dollar values of all U.S. defense articles and defense services *delivered* to the top five purchasers in each region indicated for the *calendar year(s)* noted for all deliveries under the U.S. Foreign Military Sales (FMS) program. These values represent the total value of all government-to-government *deliveries actually concluded* between the United States and the foreign purchaser under the FMS program during the *calendar year(s)* indicated.

In **Table 12**, the total dollar values of all U.S. defense articles and defense services *actually delivered* to the top 10 purchasers *worldwide* is provided. The *delivery* totals are for FMS deliveries concluded for the *calendar year(s)* noted.

Table 7. Leading Purchasers of U.S. Defense Articles and Services, Total Values of Africa Deliveries Concluded
 (in current U.S. dollars, rounded to nearest million)

Africa Deliveries 1999-2002	Africa Deliveries 2003-2006	Africa Deliveries 2006
1 Nigeria \$8 million	1 Kenya \$17 million	1 Ethiopia \$3 million
2 Ethiopia \$7 million	2 Nigeria \$16 million	2 Kenya \$2 million
3 Kenya \$7 million	3 Ethiopia \$10 million	3 South Africa \$2 million
4 Mali \$2 million	4 South Africa \$10 million	4 Uganda \$2 million
5 Ghana \$2 million	5 Djibouti \$8 million	5 Botswana \$2 million

Table 8. Leading Purchasers of U.S. Defense Articles and Services, Total Values of American Republics Deliveries Concluded

(in current U.S. dollars, rounded to nearest million)

American Republics Deliveries 1999-2002	American Republics Deliveries 2003-2006	American Republics Deliveries 2006
1 Canada \$375 million	1 Canada \$681 million	1 Chile \$251 million
2 Colombia \$300 million ^a	2 Chile \$457 million	2 Canada \$215 million
3 Brazil \$177 million	3 Colombia \$179 million ^a	3 Colombia \$84 million ^a
4 Venezuela \$79 million	4 Brazil \$87 million	4 Brazil \$48 million
5 Argentina \$54 million	5 Venezuela \$38 million	5 Venezuela \$8 million

a. Includes deliveries of defense articles and services previously sold that are related to international narcotics programs.

Table 9. Leading Purchasers of U.S. Defense Articles and Services, Total Values of Asia Deliveries Concluded
 (in current U.S. dollars, rounded to nearest 10 million or 10th of a billion)

Asia Deliveries 1999-2002	Asia Deliveries 2003-2006	Asia Deliveries 2006
1 Taiwan \$5.8 billion	1 Taiwan \$4.1 billion	1 Australia \$1.7 billion
2 South Korea \$3.2 billion	2 Australia \$2.5 billion	2 Taiwan \$970 million
3 Japan \$1.9 billion	3 South Korea \$2.4 billion	3 South Korea \$610 million
4 Australia \$1.2 billion	4 Japan \$1.8 billion	4 Japan \$560 million
5 Singapore \$1.0 billion	5 Singapore \$960 million	5 Singapore \$370 million

Table 10. Leading Purchasers of U.S. Defense Articles and Services, Total Values of Near East Deliveries Concluded
 (in current U.S. dollars, rounded to nearest 10 million or 10th of a billion)

Near East Deliveries 1999-2002	Near East Deliveries 2003-2006	Near East Deliveries 2006
1 Saudi Arabia \$8.9 billion	1 Israel \$5.2 billion	1 Israel \$1.5 billion
2 Egypt \$4.5 billion	2 Egypt \$5.1 billion	2 Egypt \$1.2 billion
3 Israel \$3.3 billion	3 Saudi Arabia \$4.4 billion	3 Saudi Arabia \$1.0 billion
4 Kuwait \$1.3 billion	4 Kuwait \$910 million	4 Kuwait \$300 million
5 Bahrain \$530 million	5 U.A.E. \$620 million	5 Oman \$290 million

Table 11. Leading Purchasers of U.S. Defense Articles and Services, Total Values of Europe Deliveries Concluded
 (in current U.S. dollars, rounded to nearest 10 million or 10th of a billion)

Europe Deliveries 1999-2002	Europe Deliveries 2003-2006	Europe Deliveries 2006
1 Greece \$1.8 billion	1 Greece \$3.2 billion	1 Netherlands \$800 million
2 Turkey \$1.6 billion	2 U.K. \$1.6 billion	2 Poland \$690 million
3 U.K. \$1.6 billion	3 Netherlands \$1.5 billion	3 Greece \$440 million
4 Finland \$1.5 billion	4 Turkey \$980 million	4 U.K. \$330 million
5 Netherlands \$1.1 billion	5 Italy \$890 million	5 Italy \$280 million

Table 12. Leading Purchasers of U.S. Defense Articles and Services, Total Values of Worldwide Deliveries Concluded
 (in current U.S. dollars, rounded to nearest 10 million or 10th of a billion)

Worldwide Deliveries 1999-2002	Worldwide Deliveries 2003-2006	Worldwide Deliveries 2006
1 Saudi Arabia \$8.9 billion	1 Israel \$5.2 billion	1 Australia \$1.7 billion
2 Taiwan \$5.8 billion	2 Egypt \$5.1 billion	2 Israel \$1.5 billion
3 Egypt \$4.5 billion	3 Saudi Arabia \$4.4 billion	3 Egypt \$1.2 billion
4 Israel \$3.3 billion	4 Taiwan \$4.1 billion	4 Saudi Arabia \$1.0 billion
5 South Korea \$3.2 billion	5 Greece \$3.2 billion	5 Taiwan \$970 million
6 Japan \$1.9 billion	6 Australia \$2.5 billion	6 Netherlands \$800 million
7 Greece \$1.8 billion	7 South Korea \$2.4 billion	7 Poland \$690 million
8 Turkey \$1.6 billion	8 Japan \$1.8 billion	8 South Korea \$610 million
9 U.K. \$1.6 billion	9 U.K. \$1.6 billion	9 Japan \$560 million
10 Finland \$1.5 billion	10 Netherlands \$1.5 billion	10 Greece \$440 million